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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

The Honorable Kermit Gordon
Director
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Gordon:

This letter is in reply to your letter to Mr. McCone dated April 14, 1964, in which you requested submission of the annual spring review of this Agency's program. Some three months ago, partly in anticipation of your request but more particularly to furnish me with needed planning information, the heads of the various components of this Agency were directed to take a hard pragmatic look into the future of their operations and to attempt to visualize this Agency's role over the remainder of the 1960's. In developing these projections, my officers were urged to give due weight to Presidential directives relating to economy in government and to realize that strong justification would be necessary for any marked increase. On the other hand, funds for long-delayed modernization of equipment and for clearly necessary or highly desirable items were to be included. Emphasis was to be given to the substance of the business, with only secondary attention to financial detail. The resulting plans were rewardingly conservative when translated into terms of resource requirements. I believe that this exercise constitutes full compliance with your request for "a fresh evaluation of program goals and objectives."

In preparing this Agency's response to your government-wide call for a spring preview, I have taken my sermon from what I believe are two particularly salient passages in your letter of April 14. The first is your assumption that international tensions and our international objectives will not change substantially over this oncoming period. The second is the admonition to the effect that in reducing or eliminating activities we should not include any services which are clearly essential to the national security and the well being of the Nation. Both of these guidelines, which I presume were directed to all the departments and

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agencies, are of course particularly applicable to the Central Intelligence Agency. Our business is national security, and our overriding objective during the period under review will be to strengthen the Agency's capability to discharge its heavy responsibilities in this regard.

With reference to the larger question of USIB-wide considerations over the five-year period, this will be the subject of a separate letter from Mr. McCone. I believe Mr. Bross is in touch with Mr. Amory on this point.

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In the light of the foregoing, I am wholly unable to identify, as you requested, some fifty million dollars' worth of activity in FY 1966 which I could relegate to a lower priority. The dollar levels submitted are minimal in nature, the estimates are realistically drawn, and there have been substantial adjustments in the allocation of resources to the several program activities over the five-year projection.

With regard to costs of proposed legislation, apart from the pending pay bill--which I understand the Bureau will make central adjustments for--we anticipate only very modest increases to cover amendments to our retirement bill. Other legislation, such as minor administrative amendments and proposed actions pertaining to protection of intelligence sources, will not affect our estimates.

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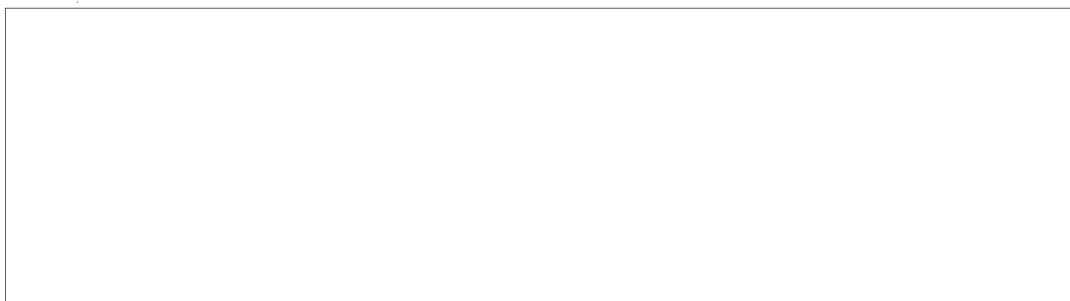
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PROGRAM WIDE

The world-wide interests of this Agency and the intricacies of our operations require a substantial investment in the activity labelled "Program Wide"--an activity which encompasses somewhat more than "support", or "administration", or "overhead". Security, for example, is a support function, but it is also in some respects heavily operational in nature. Training also has this dual characterization. Communications are the nerve fibers through which the whole organization is manipulated. Our projections, accordingly, do not forecast any narrowing of these essential services which provide the underpinnings for this Agency's operations.



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Commencing early in FY 1965 the Junior Officer Trainee program will be expanded, with further increases carrying over into FY 1966 and onwards.

The Agency's reference systems will continue to incorporate developments in automatic data processing into their operations in an orderly manner, and good progress has already been achieved in this direction. While service will improve, and the quality of information be greatly increased, we foresee no appreciable savings in manpower.

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